

# Department of Defense



## Briefing for the Deputy Secretary of Defense

***DRID #47***

***End-to-End Procurement Process***

## **Strategic Implementation Plan**

**February 22, 2000**



# ***End-to-End Procurement Process***

***Why we're here . . .***

- **Review DRID #47 accomplishments**
- **Brief Strategic Implementation Plan**
- **Provide recommendations for next steps**
- **Set the stage for Implementation Phase**

***Model  
Developed!  
Implementation  
Plan Complete!***

***Next phase . . .  
Implementation!***

***First, some  
background . . .***



# ***End-to-End Procurement Process***

## ***Genesis of DRID #47 . . .***

**Eliminate Unmatched Disbursements and Negative Unliquidated Obligations** and **"Single Point of Data Entry"**

**Move ahead with systems and technologies already on-hand** **MRM #2, Moving to a Paper-free Contracting Process by January 1, 2000**

**Reengineer Contract Closeout and DD 250 Material Inspection and Receiving Report policies and procedures** **DRIDs #32 and #33**

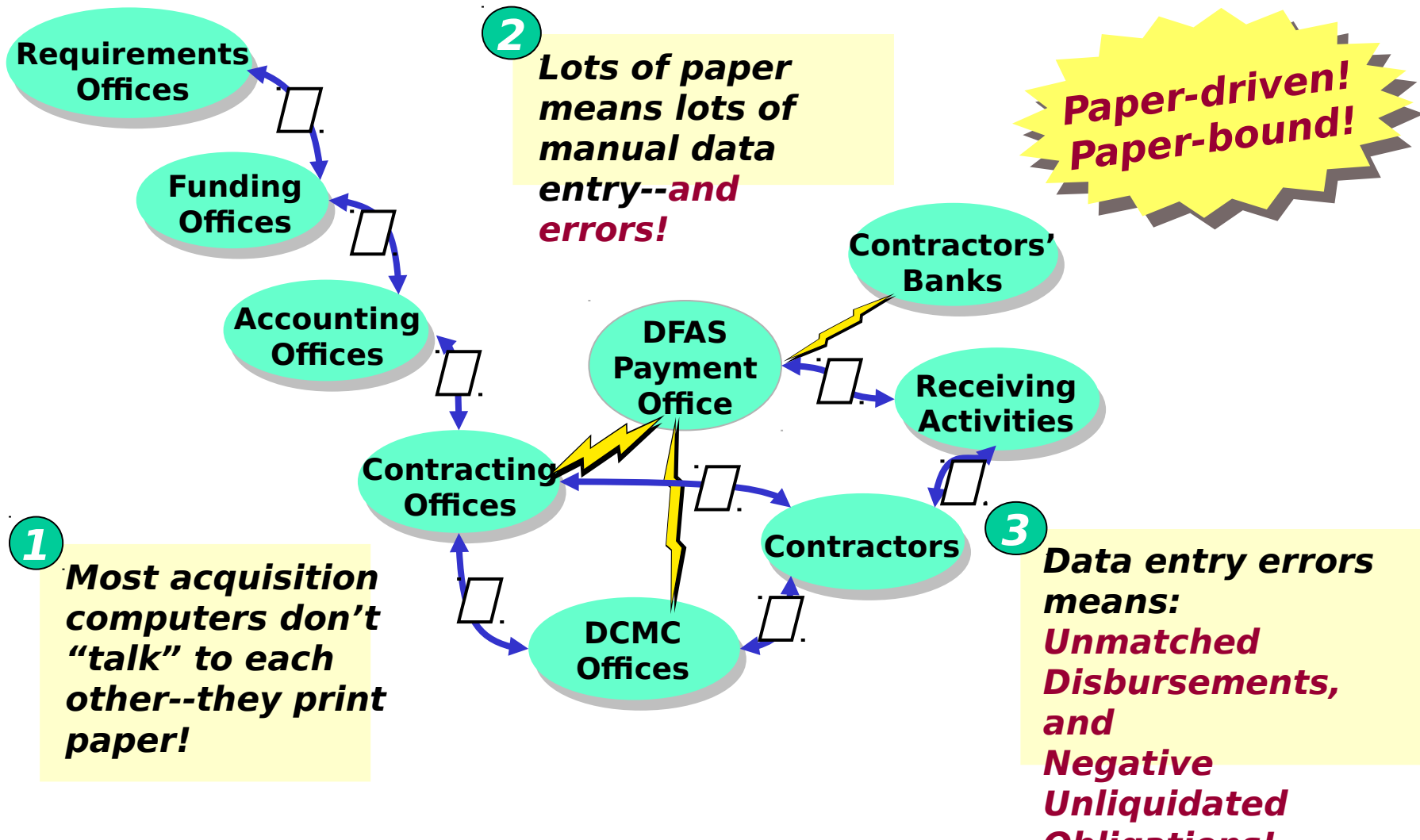
**DCMC and DFAS co-chair an "end-to-end" procurement process review for the future shared data environment** **DRID #47, End-to-End Procurement Process, December 9, 1998**

***Build a roadmap for a DOD-wide electronic procurement environment; provide seamless data exchange end-to-end among the process partners!***



# **End-to-End Procurement Process**

## **Acquisition as it has been . . .**



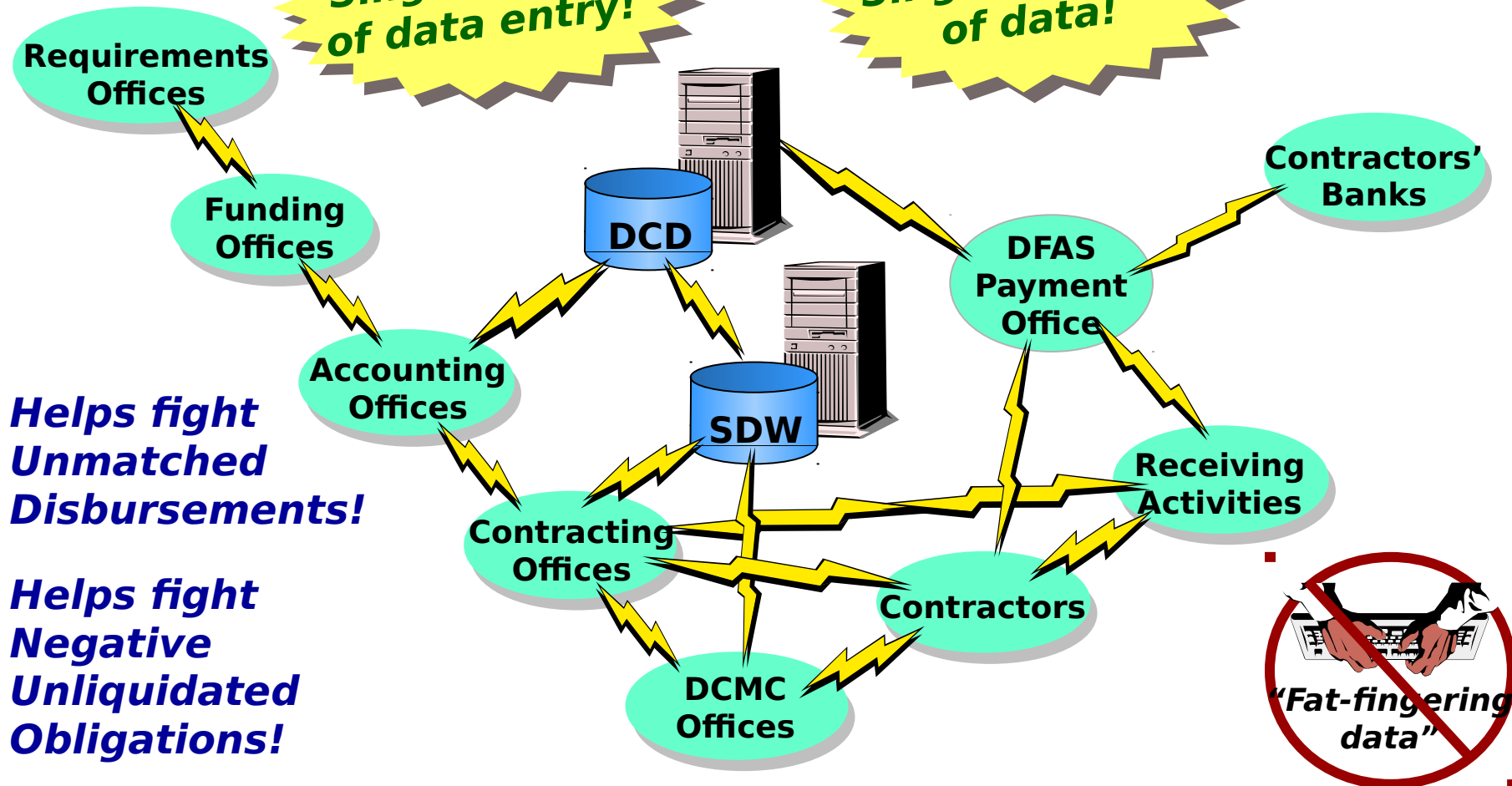


# **End-to-End Procurement Process**

## **The Paperless Acquisition Vision**

**Single points  
of data entry!**

**Single sources  
of data!**





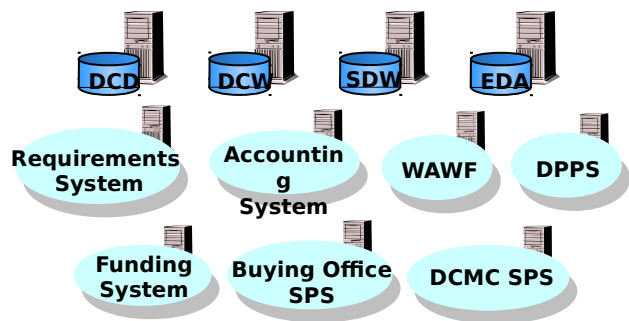
## Major integration challenges . . .



***. . . to reengineer and improve business processes and subprocesses to overcome those challenges!***



# DRID 47: End-to-End Procurement Process



These systems will need to “talk” with each other we  
**“End-to-End” makes sure they will!**

## Partners

DCMC and DFAS co-chairs . . .  
 Services/Agencies . . .

- ◆ Program Mgmt.
- ◆ Contracting
- ◆ Payment

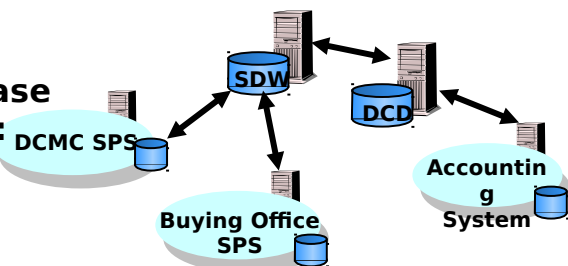
- ◆ Financial Mgmt.
- ◆ Accounting
- ◆ Logistics

**“End-to-End” simplifies systems and processes!**

## Old “To-Be”:

Lots of data base  
 replication for:

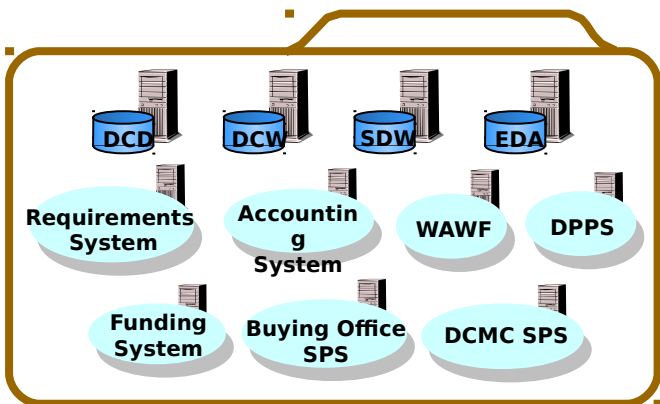
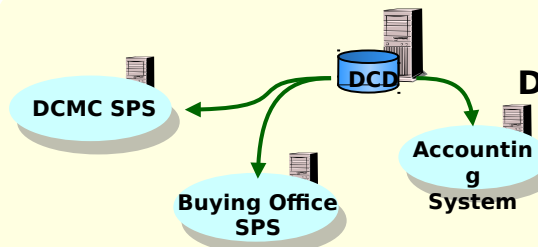
- ▢ Accounting
- ▢ Payments
- ▢ Deliveries



## New “To-Be”:

Data “lives” in DCD.

- ▢ Other systems
- “pull” as needed.
- ▢ “Pre-Val” problem solved, too.



**Must have  
 Portfolio  
 Management!**

## Products:

- ▢ “To Be” Process Map
- ▢ “To Be” Process Description
- ▢ “To Be” Input/Output Description
- ▢ Information Transfer Mechanisms
- ▢ “To Be” System Maps
- ▢ “Cross Walk” with SPS, DPPS,
- ▢ Final Report

**Done!**

**Done!**

**Done!**

**Done!**

**Done!**

**Done!**

**Done!**



# ***End-to-End Procurement Process***

## ***Key Participants***

***Over 150 DoD and Industry participants!***

**DCMC and DFAS Co-Chairs  
Services/Agencies (including JECPO)--**

**Program Management    Financial Management  
Contracting                Accounting  
Payment                      Logistics**

**Program Management Offices--**

**Standard Procurement System/Shared Data Warehouse  
Defense Procurement Payment System  
DFAS Corporate Database/DFAS Corporate Warehouse  
Wide Area Workflow**

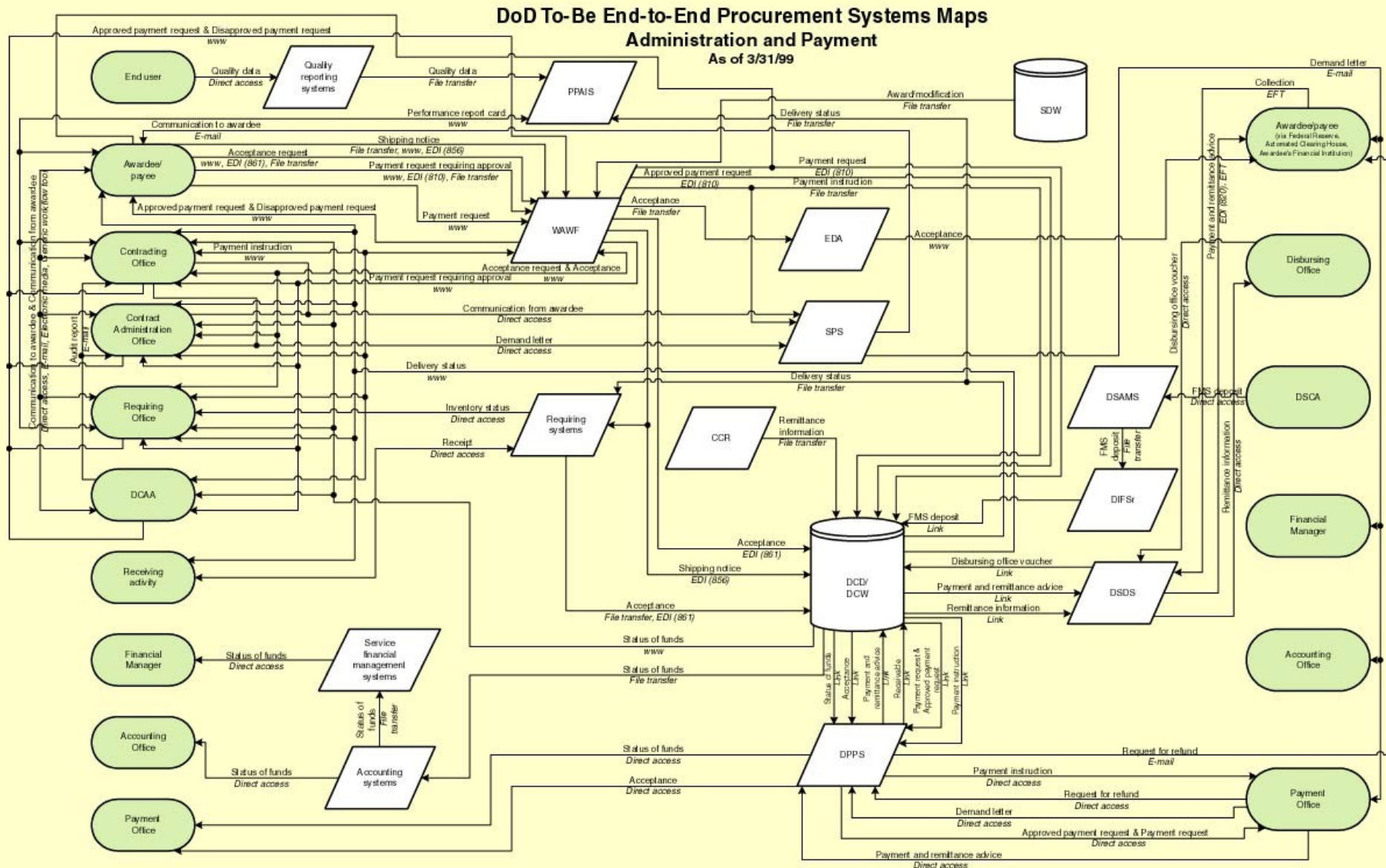
**And, the contractors for the Systems--**

**American Management Systems  
Oracle  
Electronic Data Services**

**Plus, the SPS Requirements Board!**









# **End-to-End Procurement Process**

## **End Products**

**COMPLETED!**

- **Phase 1 - Procurement Process Model and System**
  - **"To-Be" Process Map and Description**
  - **Input/Output Descriptions**
  - **"To-Be" System Maps and Transfer Mechanisms**
  - **Issues and Recommendations**
  - **Business Rules**
  - **Implementation Considerations (next steps)**

**Model  
Developed!  
Implementation  
Plan Complete!**

## ■ **Phase 2 - Strategic Implementation**

- **Updated Model and Systems Maps**
- **Management Structure (Portfolio Management)**
  - ❖ **Paperless Procurement Executive Control Board**
  - ❖ **Paperless Procurement Implementation IPT  
(draft charter)**
- **Strategic Integrated Schedule**
- **Metrics (Outcome and Output)**
- **Recommendations**

**Available on  
Paperless Center  
homepage!**



# ***End-to-End Procurement Process***

## ***Moving to the “To-Be” Environment***

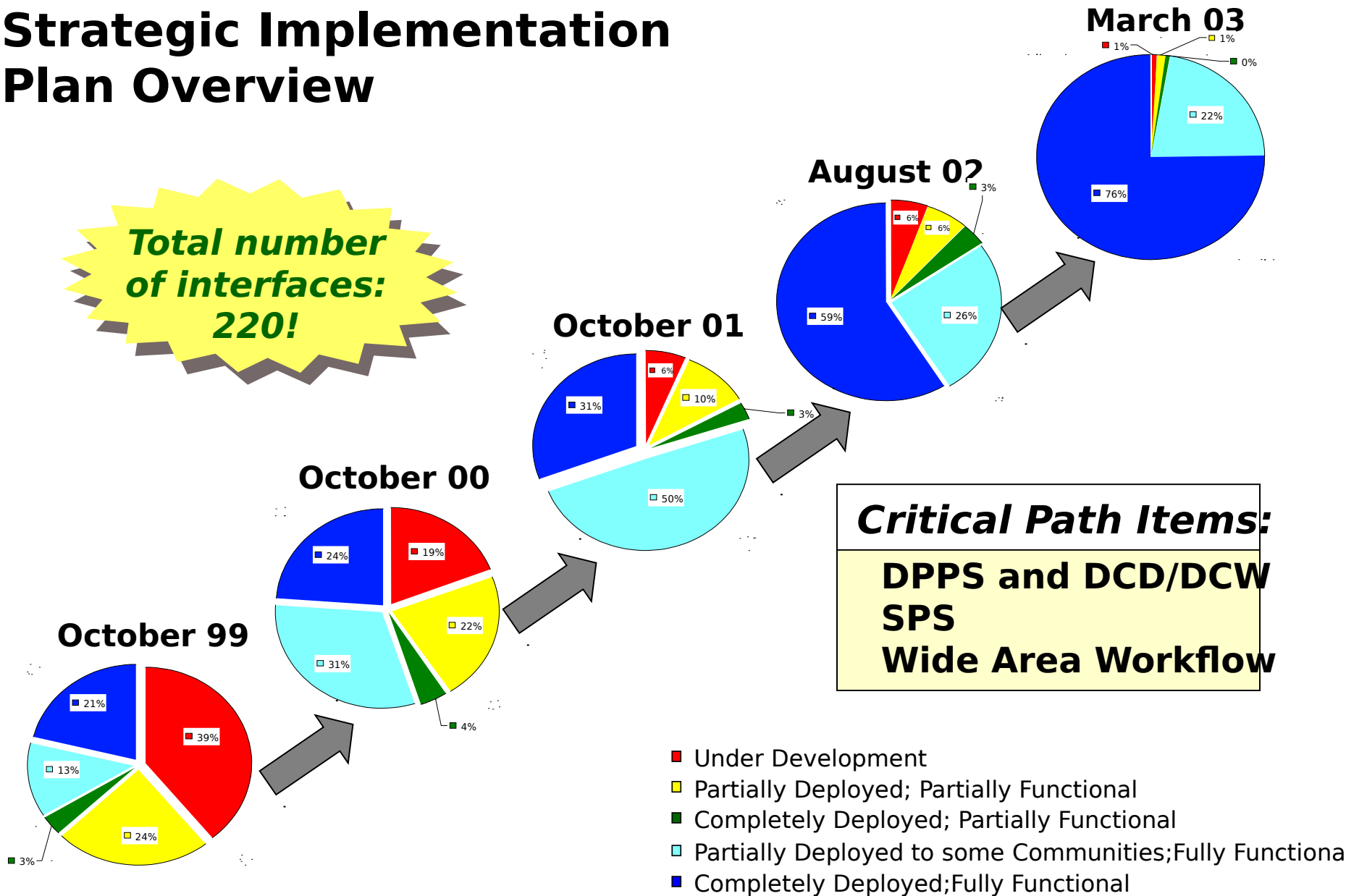
- End-to-End process model is a vision of future shared data environment
- Systems and interfaces must ***evolve*** to meet vision
- End-to-End Process Model is the ***road map*** to an integrated data architecture for paperless procurement
- Requires Department-wide cooperation and coordination, ***and clear direction!***



**100% "Blue" by March 2004**

# Strategic Implementation Plan Overview

**Total number of interfaces: 220!**





# ***End-to-End Procurement Process Management Structure***

## **Paperless Procurement Executive Control Board (ECB)**

**Paperless Contracting OIPT plus Financial Management and Logistics  
Provide executive oversight and leadership as Portfolio Manager**

## **Implementation IPT**

**PC WIPT plus Financial Management and Logistics  
Reports to ECB  
Provides day-to-day management and oversight  
Serves as catalyst for integrated decision making & issue  
resolution  
Ensures configuration management control of critical interfaces  
Ensures seamless exchange of information**

## **Military Departments and Defense Agencies**

**Provide active participation on ECB and Implementation IPT  
Support Implementation IPT to secure resources to accomplish  
its mission**

## **Applications and Systems Program Managers**

**Ensure development of systems/databases consistent with "To-  
Be" Model**

## **Joint Electronic Commerce Program Office (JECPO)**

**Provide budgeting and business management support for  
Implementation IPT  
Coordinate with Implementation IPT and ensure consistency with  
DOD EC Architecture**



# ***End-to-End Procurement Process***

## ***Sample Metrics***

### **Outcomes: Measure performance**

- **Total decrease in:**
  - **Negative Unliquidated Obligations (NULOs)**
  - **Unmatched Disbursements (UMDs)**
  - **Interest paid on late payments**
  - **Discounts lost due to delayed payments**

### **Outputs : Measure progress**

- **Percentage of:**
  - **Electronic commitments by service, by system, by site**
  - **SPS contract awards and modifications**
  - **Electronic receipts and acceptance including both vendors and DFAS**
  - **Electronically approved payment requests coming into DCD/DCW and Electronic Funds Transfer (EFT) authorizations going out**
  - **Contracts closed electronically**

***Draft Metrics in Implementation Plan!***

***Uses existing PC WIPT metrics!***





# ***End-to-End Procurement Process***

## ***Recommendations***

***Memo being drafted and coordinated!***

### ***Sign Implementation Memo to:***

#### ***■ Establish a Paperless Procurement ECB at Flag/SES level***

- PC OIPT Chairperson as Portfolio Manager***
- PC OIPT augmented with Services, Financial Management, and Logistics representation***

#### ***■ Establish Implementation IPT at O-6/GS-15 level***

- PC WIPT augmented with Financial Management, Logistics, and Application & Systems Program Managers***

***Incorporate the road map and direction into the Defense Planning Guidance!***